1 *E-filed on* <u>11-17-06</u> 2 3 4 5 6 7 IN THE UNITED STATES DISTRICT COURT 8 FOR THE NORTHERN DISTRICT OF CALIFORNIA 9 SAN JOSE DIVISION 10 11 IN RE CYGNUS TELECOMMUNICATIONS 12 No. MDL-1423 TECHNOLOGY, LLC, PATENT This Order Applies to All Actions LITIGATION 13 C-02-00142 RMW C-02-00145 RMW 14 THIS ORDER RELATES TO: C-02-05437 RMW 15 All Actions C-03-03378 RMW C-03-03594 RMW 16 C-03-03596 RMW C-03-04003 RMW 17 C-04-03001 RMW C-04-03365 RMW 18 C-04-04247 RMW C-04-04359 RMW 19 C-06-03843 RMW C-06-04295 RMW 20 C-06-06479 RMW 21 ORDER DENYING DEFENDANTS' MOTION TO DISMISS FOR LACK OF 22 SUBJECT-MATTER JURISDICTION 23 24 Defendants assert that Cygnus does not own the patents-in-suit and move to dismiss these 25 consolidated actions for lack of subject-matter jurisdiction. Although troubled by the inconsistencies in the evidence pertaining to the assignment of the patents to Cygnus, the court is 26 27 satisfied that Cygnus has shown by a preponderance of the evidence that the assignment set forth in

ORDER DENYING DEFENDANTS' MOTION TO DISMISS FOR LACK OF SUBJECT-MATTER JURISDICTION—MDL-1423 JAH

the September 1997 operating agreement is genuine. Cygnus's explanation that the representations

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| 1 | in Paragon's May 1998 petition to the Federal Circuit regarding the '984 application (case no. 98- | | |
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| 2 | 547) and Wyatt's April 1998 declaration filed with the PTO in connection with the '115 application | | |
| 3 | regarding Paragon's ownership of the applications occurred through inadvertence seems logical in | | |
| 4 | light of the facts that Cygnus paid the issuance fees for the patents and represented to the PTO that | | |
| 5 | an assignment had taken place, has acted as the owner of the patents since their issuance, and the | | |
| 6 | September 1997 assignment was between entities both controlled by Wyatt. However, since | | |
| 7 | Cygnus's counsel admittedly failed to record the assignment, failed to produce evidence of an | | |
| 8 | assignment until October 2006, and filed two documents stating that Paragon was the owner of the | | |
| 9 | patents after the date of the assignment, the court would consider a motion for reasonable fees and | | |
| 10 | expenses incurred by defendants in pursuit of this motion. The motion to dismiss is denied. | | |
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| 13 | DATED: 11/17/06 Romala m whyte | | |

11/17/06

RONALD M. WHYTE United States District Judge

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